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Mohan, GM, *et al* (2011) The Politics of Chinese Engagement with African Development: Case Studies of Angola and Ghana

ESRC End of Award Report, RES-062-23-0487. Swindon: ESRC

## ECONOMIC AND SOCIAL RESEARCH COUNCIL END OF AWARD REPORT



### For awards ending on or after 1 November 2009

This End of Award Report should be completed and submitted using the **grant reference** as the email subject, to **reportsofficer@esrc.ac.uk** on or before the due date.

The final instalment of the grant will not be paid until an End of Award Report is completed in full and accepted by ESRC.

Grant holders whose End of Award Report is overdue or incomplete will not be eligible for further ESRC funding until the Report is accepted. ESRC reserves the right to recover a sum of the expenditure incurred on the grant if the End of Award Report is overdue. (Please see Section 5 of the ESRC Research Funding Guide for details.)

Please refer to the Guidance notes when completing this End of Award Report.

Grant Reference	RES-062-23-0487		
Grant Title	The politics of Chinese engagement with African 'development': Case studies of Angola and Ghana		
Grant Start Date	1 <sup>st</sup> August 2007	Total Amount Expended:	£277,238.81
Grant End Date	31 <sup>st</sup> January 2011		
Grant holding Institution	The Open University		
Grant Holder	Dr Giles Mohan		
Grant Holder's Contact Details	Address		Email
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Co-Investigators (as per project application):		Institution	
Dr Marcus Power		Durham University	

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## 1. NON-TECHNICAL SUMMARY

Please provide below a project summary written in non-technical language. The summary may be used by ESRC to publicise your work and should explain the aims and findings of the project. *[Max 250 words]*

China's enhanced global role has profound political implications across the world, but takes a particular form in Africa. Given the problems of governance across the continent these new economic and political choices will have major impacts on African politics and other donors. We examined these impacts through case studies of Angola and Ghana and organised the research around three themes:

- (1) The changing patterns of Chinese involvement in Africa.
- (2) The politics of trade and investment, particularly how political actors perceive the Chinese impact and respond to it.
- (3) Aid and regime stability in terms of China's apparent 'hands off' approach to politics compared with other donors and their unwillingness to engage with aid harmonisation efforts.

The methodology involved assembling data from archives and websites, and semi-structured interviews with stakeholders in Angola, Ghana, UK, USA and China.

Key findings were:

- Growing levels of Chinese engagement in both countries, though Angola was more commercially oriented compared with an 'aid' relationship in Ghana.
- Different state histories and structures in Africa shape the nature of China's engagement.
- However, all engagement is at the elite level and bypasses local civil society and formal accountability mechanisms.
- Donors are concerned about China's funding model but are seeking productive forms of collaboration.
- African governments are eager to capture *all* new business not just that of the Chinese.

User engagement has been crucial from the start and we organised a number of high profile policy events and utilised various media to disseminate findings.

## 2. PROJECT OVERVIEW

### a) Objectives

Please state the aims and objectives of your project as outlined in your proposal to the ESRC. *[Max 200 words]*

While China's enhanced engagement with Africa is now clear, policy makers and analysts lack detailed country case studies of the political impacts of this. Hence, the general aim of this research project was to *assess the impact of Chinese economic and political activity on the political systems of Angola and Ghana.*

In order to realise this aim we identified four further objectives:

1. To document - through archival sources, interviews with stakeholders, web surveys, and case studies - China's historical and contemporary role in the politics, economy and development of Angola and Ghana;
2. To critically evaluate the impacts of these activities on Africa's short- to medium-term prospects for economic development, democracy, and stability;

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3. To push forward debates on the meanings of 'development' and 'cooperation' in the changing world order;

4. Through focused dissemination, assist policy makers in the UK, Europe, US and Africa in their engagement with Chinese policy in Africa.

Given the empirical aspirations of this project addressing objectives 1 and 2 relate more closely to sections 2c and 2d of this form whereas the wider intellectual and societal contributions expressed in objectives 3 and 4 relate more to sections 3a and 3b of this form.

## **b) Project Changes**

Please describe any changes made to the original aims and objectives, and confirm that these were agreed with the ESRC. Please also detail any changes to the grant holder's institutional affiliation, project staffing or funding. *[Max 200 words]*

The first change involved the project's Research Fellow, Dr May Tan-Mullins, leaving the project in September 2009 to take up a Lectureship at the University of Nottingham's Ningbo campus in China. However, all fieldwork requiring Chinese language skills had been completed and Dr Tan-Mullins continued to participate in data analysis and joint publications. The second set of changes were that we were granted two no cost extensions in order to allow fuller analysis of the field data and to accommodate an event in Angola, which occurred in January 2011. The second delay was because we received £15,000 from DFID China to co-fund the event and they required it to be around that time and since it hugely boosted the impact of the event we felt it was important to accommodate their needs.

## **c) Methodology**

Please describe the methodology that you employed in the project. Please also note any ethical issues that arose during the course of the work, the effects of this and any action taken. *[Max. 500 words]*

To address the themes outlined in Box 1 we devised five research questions which were investigated in a comparative case approach using qualitative methods. Given the need to break down monolithic interpretations of 'China' and 'Africa' we selected contrasting case studies according to the different facets of the 'China-Africa' relationship they potentially represented. Angola is resource rich and China has clear interests in obtaining oil, which sees aid as a bargaining tool. By contrast, at the project's start, Ghana was more marginal to Chinese economic interests, and was selected as a case where the Chinese were building political alliances. The discovery of oil in 2008 changed that and by the end of the project China was extending oil-backed loans to Ghana, not dissimilar to those arranged with Angola. That said they represent very different political systems, being a post-conflict and centralised state in Angola's case and an established democracy in Ghana's case.

In each country our methodology was based around semi-structured interviews with key actors. These focused on Chinese firms and state actors, and African policy makers and civil society organisations. To achieve historical depth we supplemented this with archival work in the UK, Portugal and the case study countries as well as documentary analysis of diverse sources available in print and online. To address questions of donor relations we also undertook research among the international policy community in China, UK, USA and the case study countries. Finally we examined specific Chinese-backed projects in each country using participant observation, site visits and semi-structured interviews. Here, the Chinese language skills of the named Research Fellow were critical.

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In the main we were successful in achieving these aims though there were some difficulties largely relating to access. In collecting official Chinese data it is either not collected for various reasons, is collected but reported differently, or is collected and concealed<sup>1</sup>. Second, we confronted problems of transparency and causality. For both similar and different reasons the Chinese and African states are opaque in their decision making processes. Basil Davidson<sup>2</sup> has talked about the 'black box' of the African state and in China there is CPC domination of agendas, information and the mindset of respondents<sup>3</sup>. It was for this reason, and our recurring experience of being denied access to officials, that we focused more on projects, the multiple relationships they are implicated in and the effects of them on local and national development. We also focused more on independent Chinese businesses who were easier to access and which we came to understand in their own terms as well as how they perceived the more official Chinese engagement with the host society they shared. While this fragmentation of data makes attribution difficult, our analysis – largely set out in the forthcoming monograph – triangulated between these multiple data sources. An ethical issue which arose from this was unwillingness by our Chinese respondents to complete the consent forms or to be tape recorded which means we have fewer transcripts than planned but more field notes.

#### d) Project Findings

Please summarise the findings of the project, referring where appropriate to outputs recorded on *ESRC Society Today*. Any future research plans should also be identified. [Max 500 words]

In terms of Objective 1 Chinese engagement stepped up from the turn of millennium. In Angola it was commercial, around oil and construction, and the Chinese regarded Angola as a blank slate for investment. In Ghana there was more of an 'aid' relationship and the Chinese communities are longer established. With the discovery of oil in Ghana in 2008 China's engagement shifted to being more commercial and similar to Angola's.

Chinese finance packages involve the bundling of aid, trade and investment and are very effective, proving popular with the host government because they are rapidly disbursed. In Angola's post-conflict context any infrastructure is necessary and aids the legitimacy of the government. However, Chinese engagement is doing little to challenge problematic forms of governance, possibly even reinforcing the opacity around the use of natural resources. It became clear that the Chinese have multiple interests and there are numerous actors within China. While the bilateral relationships are significant, we noted the growing importance of 'non-state' Chinese actors, confounding any notion of a 'Beijing Consensus'. The large aid projects were weakly integrated into local society whereas the independent migrants fill economic niches, but excite anxiety where they out-compete locals. There were higher levels of labour importation in Angola, which reflects the paucity of skills in the labour market and the degree to which immigration regulations are enforced.

In terms of Objective 2 the key finding is that different state forms affect China's engagement. We cannot talk in terms of a singular 'African state'. Angola is a post-conflict state used to the command and control of military rule compared with Ghana's more open, but aid dependent state. China engages with Angola through newly created and hybrid institutions within the state. Ghana is more *ad hoc* in its engagement with China, and like Angola often without any internal debate. The commonality across cases is that these are all about elite bargaining – it is an illiberal model of development cooperation bypassing democratic channels.

<sup>1</sup> Lancaster, C. (2007) 'The Chinese Aid System, Centre for Global Development', <http://www.cgdev.org/content/publications/detail/13953/>.

<sup>2</sup> Davidson, B. (1992) *The Black Man's Burden: Africa and the Curse of the Nation-State*, Oxford: James Currey.

<sup>3</sup> Heimer, M. and Thøgersen, S. (eds) (2006) *Doing Fieldwork in China*, Nordic Institute of Asian Studies Press: Copenhagen

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When looking at donor politics, a key difference is that Angola is much less aid dependent than Ghana. In both countries the Chinese do not integrate with the aid harmonisation processes and a key concern for donors is the question of transparency of resource backed loans which feeds into the point about the accountability of African elites. In both countries CSOs were hardly aware of the Chinese and certainly not as an issue of governance. This is partly explained by the earlier point that the Chinese deliver tangible things that African recipients need. However, there were signs of change with some trade unions working with the Chinese and host governments to leverage better deals.

A finding that lay outside our aims was the importance of a range of 'rising powers' in Africa. China shares its African ambitions with India, Brazil, South Korea, and a number of Arab states. Additionally China's engagement seems to be having limited impacts on poverty reduction strategies in both case study countries.

### **e) Contributions to wider ESRC initiatives (eg Research Programmes or Networks)**

If your project was part of a wider ESRC initiative, please describe your contributions to the initiative's objectives and activities and note any effect on your project resulting from participation. *[Max. 200 words]*

The project was invited to become part of the ESRC's Global Uncertainties Programme. All three key researchers on this project also became part of an ESRC Network under the Rising Powers Programme, with Dr Mohan as Co-I, entitled *China as the new 'shaper' of global development* (ESRC Ref: RES-075-25-0019), which coincided with the last year of this project.

## **3. EARLY AND ANTICIPATED IMPACTS**

### **a) Summary of Impacts to date**

Please summarise any impacts of the project to date, referring where appropriate to associated outputs recorded on *ESRC Society Today*. This should include both scientific impacts (relevant to the academic community) and economic and societal impacts (relevant to broader society). The impact can be relevant to any organisation, community or individual. *[Max. 400 words]*

The scientific impacts have been about creating new knowledge with important findings on the ways in which Ghana and Angola negotiate with the Chinese. To date these have been published in *Development and Change* and will form the basis for our monograph with Palgrave (see below). Another key contribution has been to intensify the engagement with theoretical and conceptual issues which is so often lacking from the analysis of China-Africa relations (see Mohan's *ROAPE* review). We combined political economy and postcolonial approaches to examine the hybrid modes of development (see article in *ROAPE*). This contribution extends into debates within critical human geography and development studies where we have fomented discussions of 'South-South' development studies (in the *Singapore Journal of Tropical Geography*) and the linkages to IR and geopolitics (Article in *Geopolitics*, Chapter in Dent collection).

The societal impacts have, as we stated in the JES form, largely been aimed at policy makers and CSOs, both internationally and in the UK and Africa. This has been highly successful building on networks established under the Asian Drivers programme. We organised a series of high profile user events with the *Foreign Policy Centre* in London, The *Institute for Democratic Governance* and the *World Bank* in Ghana, and

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in Angola with the *Centro de Estudos e Investigação Científica* of the Catholic University of Angola and the *South African Institute of International Affairs*. All these were attended by representatives of the policy, NGO, academic and corporate worlds and garnered widespread media coverage locally.

On the back of these networks Dr Mohan co-founded the China Study Group within the Development Studies Association of the UK, which has over 100 members. A statement based on our research was also submitted as evidence to the UK Parliamentary Committee on 'The effectiveness of the UK Government's strategy to engage with China on international development' and DFID has subsequently hugely restructured its China aid programme.

The project has also produced various invited policy briefs for the *Real Instituto Elcano*, the *Brookes World Poverty Institute* and *Nordiska Afrikainstitutet*. The first of these was picked up by the OECD and will inform their 2011 *African Economic Outlook*. On the back of the PI's expertise he was invited to be an academic consultant on an Open University/BBC series called China School which aired in mid-2008. On the back of this input we started a blog, hosted in the OU-BBC website, showcasing our project.

## **b) Anticipated/Potential Future Impacts**

Please outline any anticipated or potential impacts (scientific or economic and societal) that you believe your project might have in future. [Max. 200 words]

Future scientific impacts relate to the publication of a monograph with Palgrave. It will be both a theoretical contribution to debates and include up to date empirical work. The first draft is with reviewers with full publication by the end of the year. We have articles in press with *Antipode* and will submit two more in 2011: one to *Political Geography* and another for a special issue of *Development and Change*. We are committed to conference presentations in 2011 at DSA/EADI and Bristol.

In terms of societal impacts the monograph is aimed at academics but is written for wider audiences. An unexpected impact has been through teaching. Dr Mohan is giving a week's invited teaching at the Oslo Summer School on *China and the future of international development*. He is also writing for a new undergraduate module at the Open University, which will be taken by around 5000 over its 9 year lifespan. The textbook looks likely to be published with a major academic publisher and so will reach wider audiences. There is also on-going blog activity and in February 2011 Dr Mohan and Dr Power were invited to edit the Royal African Society's new blog on Asia in Africa.

You will be asked to complete an ESRC Impact Report 12 months after the end date of your award. The Impact Report will ask for details of any impacts that have arisen since the completion of the End of Award Report.

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## 4. DECLARATIONS

Please ensure that sections A, B and C below are completed and signed by the appropriate individuals. The End of Award Report will not be accepted unless all sections are signed.

Please note hard copies are NOT required; electronic signatures are accepted and should be used.

### A: To be completed by Grant Holder

*Please read the following statements. Tick ONE statement under ii) and iii), then sign with an electronic signature at the end of the section.*

#### i) The Project

This Report is an accurate overview of the project, its findings and impacts. All co-investigators named in the proposal to ESRC or appointed subsequently have seen and approved the Report.	<b>X</b>
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#### ii) Submissions to *ESRC Society Today*

Output and impact information has been submitted to <i>ESRC Society Today</i> . Details of any future outputs and impacts will be submitted as soon as they become available.	<b>X</b>
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**OR**

This grant has not yet produced any outputs or impacts. Details of any future outputs and impacts will be submitted to <i>ESRC Society Today</i> as soon as they become available.	<input type="checkbox"/>
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**OR**

This grant is not listed on <i>ESRC Society Today</i> .	<input type="checkbox"/>
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#### iii) Submission of Datasets

Datasets arising from this grant have been offered for deposit with the Economic and Social Data Service.	<b>X</b>
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**OR**

Datasets that were anticipated in the grant proposal have not been produced and the Economic and Social Data Service has been notified.	<input type="checkbox"/>
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**OR**

No datasets were proposed or produced from this grant.	<input type="checkbox"/>
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